



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

TEXOMA MEDICAL CENTER
3255 W PIONEER PKWY
PANTEGO TX 76013-4620

Respondent Name

MIDWEST EMPLOYERS CASUALTY COMPANY

Carrier's Austin Representative Box

Box Number 19

MFDR Tracking Number

M4-12-1280-01

MFDR Date Received

December 29, 2011

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "We have found in this audit they have not paid what we determine is the correct allowable per the APC allowable per the new fee schedule that started 3/01/2008 . . . Outpatient Hospital Rule 134.03, HCPS's are payable at 200% of the correct fee schedule allowable."

Amount in Dispute: \$2,595.07

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: The insurance carrier did not submit a response for consideration in this dispute.

SUMMARY OF FINDINGS

| Date(s) of Service | Disputed Services | Amount In Dispute | Amount Due |
|---|------------------------------|-------------------|------------|
| December 13, 2010 to December 30, 2010 | Outpatient Hospital Services | \$2,595.07 | \$0.00 |

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, sets out the reimbursement guidelines for facility services provided in an outpatient acute care hospital.
3. 28 Texas Administrative Code §134.203, titled *Medical Fee Guideline for Professional Services*, sets out the reimbursement guidelines for professional medical services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - W1 – WORKERS COMPENSATION STATE FEE SCHEDULE ADJUSTMENT
 - 59 – CHARGES ARE ADJUSTED BASED ON MULTIPLE SURGERY RULES OR CONCURRENT ANESTHESIA RULES.

Issues

1. Did the requestor timely file the request for medical fee dispute resolution?
2. Are the disputed services subject to a contractual agreement between the parties to this dispute?
3. What is the applicable rule for determining reimbursement for the disputed services?
4. What is the recommended payment amount for the services in dispute?
5. Is the requestor entitled to reimbursement?

Findings

1. 28 Texas Administrative Code §133.307(c)(1) states: "Timeliness. A requestor shall timely file with the Division's MDR Section or waive the right to MDR. The Division shall deem a request to be filed on the date the MDR Section receives the request. (A) A request for medical fee dispute resolution that does not involve issues identified in subparagraph (B) of this paragraph shall be filed no later than one year after the date(s) of service in dispute." The request for dispute resolution of services rendered on date of service December 30, 2010 was received by the Division on December 29, 2011. This date is later than one year after the date of service in dispute. Review of the submitted documentation finds that the disputed services do not involve issues identified in §133.307, subparagraph (B). The Division concludes that the requestor has failed to timely file the request for dispute resolution of these services with the Division's MDR Section; consequently, the requestor has waived the right to medical fee dispute resolution for these services. Therefore, service date December 30, 2010 will not be considered in this review. However, the Division concludes that the request for dispute resolution of services rendered from December 13, 2010 to December 29, 2010 was submitted in accordance with the timely filing requirements of §133.307(c); therefore, the services rendered from December 13, 2010 to December 29, 2010 will be considered in this review.
2. Review of the submitted documentation finds no information to support that the disputed services are subject to a contractual agreement between the parties to this dispute.
3. This dispute relates to facility services performed in an outpatient hospital setting with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule. Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.
4. Under the Medicare Outpatient Prospective Payment System (OPPS), each billed service is assigned an Ambulatory Payment Classification (APC) based on the procedure code used, the supporting documentation and the other services that appear on the bill. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Payment for ancillary and supportive items and services, including services that are billed without procedure codes, is packaged into payment for the primary service. A full list of APCs is published annually in the OPPS final rules which are publicly available through the Centers for Medicare and Medicaid Services (CMS) website. Reimbursement for the disputed services is calculated as follows:

Date of Service December 13, 2010

- Procedure code 87070 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$12.34. 125% of this amount is \$15.43. The recommended payment is \$15.43.
- Procedure code 87075 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$13.55. 125% of this amount is \$16.94. The recommended payment is \$16.94.

- Procedure code 87077 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$11.57. 125% of this amount is \$14.46. The recommended payment is \$14.46.
- Procedure code 87186 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$12.38. 125% of this amount is \$15.48. The recommended payment is \$15.48.
- Procedure code 87205 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Facility payment for the technical component of this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(e)(1). The fee listed for this code in the Medicare Clinical Fee Schedule is \$6.11. 125% of this amount is \$7.64. The recommended payment is \$7.64.
- Procedure code 97001 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$70.77. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$104.26. The recommended payment is \$104.26.
- Procedure code 11040 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58, multiplied by 4 units is \$202.32. This amount multiplied by 200% yields a MAR of \$404.64.
- Procedure code 11041 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58. This amount multiplied by 200% yields a MAR of \$101.16.
- Procedure code 11042 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 0016, which, per OPPS Addendum A, has a payment rate of \$188.62. This amount multiplied by 60% yields an unadjusted labor-related amount of \$113.17. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$108.20. The non-labor related portion is 40% of the APC rate or \$75.45. The sum of the labor and non-labor related amounts is \$183.65. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$183.65. This amount multiplied by 200% yields a MAR of \$367.30.

- Per Medicare policy, procedure code 99215 is included in, or mutually exclusive to, another code billed on the same date of service. A modifier is allowed in order to differentiate between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The requestor billed the disputed service with an appropriate modifier. Separate payment is allowed. Procedure code 99215 has a status indicator of Q3, which denotes conditionally packaged codes that may be paid through a composite APC; however, as no other composite services were billed, this service is paid separately and is not assigned to a composite APC. This service is classified under APC 0607, which, per OPSS Addendum A, has a payment rate of \$113.44. This amount multiplied by 60% yields an unadjusted labor-related amount of \$68.06. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$65.07. The non-labor related portion is 40% of the APC rate or \$45.38. The sum of the labor and non-labor related amounts is \$110.45. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$110.45. This amount multiplied by 200% yields a MAR of \$220.90.

Date of Service December 14, 2010

- Procedure code 97035 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.95. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.60. The recommended payment is \$17.60.
- Procedure code 97110 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$28.42. This amount multiplied by 2 units is \$56.84. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$83.73. The recommended payment is \$83.73.
- Procedure code G0283 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.88. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.50. The recommended payment is \$17.50.

Date of Service December 16, 2010

- Procedure code 97035 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.95. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.60. The recommended payment is \$17.60.
- Procedure code 97110 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$28.42. This amount multiplied by 2 units is \$56.84. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$83.73. The recommended payment is \$83.73.
- Procedure code G0283 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPSS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPSS, reimbursement is made using the

applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.88. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.50. The recommended payment is \$17.50.

- Procedure code 11040 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58. This amount multiplied by 200% yields a MAR of \$101.16.
- Procedure code 11041 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58. This amount multiplied by 200% yields a MAR of \$101.16.
- Procedure code 11042 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 0016, which, per OPPS Addendum A, has a payment rate of \$188.62. This amount multiplied by 60% yields an unadjusted labor-related amount of \$113.17. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$108.20. The non-labor related portion is 40% of the APC rate or \$75.45. The sum of the labor and non-labor related amounts is \$183.65. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$183.65. This amount multiplied by 200% yields a MAR of \$367.30.

Date of Service December 20, 2010

- Procedure code 11040 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58, multiplied by 2 units is \$101.16. This amount multiplied by 200% yields a MAR of \$202.32.
- Procedure code 11042 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 0016, which, per OPPS Addendum A, has a payment rate of \$188.62. This amount multiplied by 60% yields an unadjusted labor-related amount of \$113.17. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$108.20. The non-labor related portion is 40% of the APC rate or \$75.45. The sum of the labor and non-labor related amounts is \$183.65. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$183.65. This amount multiplied by 200% yields a MAR of \$367.30.
- Procedure code 97597 is unbundled. This procedure is a component service of procedure code 11042 performed on the same date. Payment for this service is included in the payment for the primary procedure. Per Medicare policy, these two codes may not be reported on the same date of service unless an appropriate modifier is appended to the component code to differentiate between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The requestor billed the disputed service with a modifier; however, review of the submitted medical documentation finds that modifier 59 is not supported. Separate payment is not recommended.

Date of Service December 21, 2010

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.
- Procedure code 97035 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.95. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.60. The recommended payment is \$17.60.
- Procedure code 97110 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$28.42. This amount multiplied by 2 units is \$56.84. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$83.73. The recommended payment is \$83.73.
- Procedure code G0283 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.88. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.50. The recommended payment is \$17.50.

Date of Service December 22, 2010

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.

Date of Service December 23, 2010

- Procedure code 73610 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. This service is classified under APC 0260, which, per OPPS Addendum A, has a payment rate of \$44.90. This amount multiplied by 60% yields an unadjusted labor-related amount of \$26.94. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$25.76. The non-labor related portion is 40% of the APC rate or \$17.96. The sum of the labor and non-labor related amounts is \$43.72. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$43.72. This amount multiplied by 200% yields a MAR of \$87.44.
- Procedure code 73630 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. This service is classified under APC 0260, which, per OPPS Addendum A, has a payment rate of \$44.90. This amount multiplied by 60% yields an unadjusted labor-related amount of \$26.94. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$25.76. The non-labor related portion is 40% of the APC rate or \$17.96. The sum of the

labor and non-labor related amounts is \$43.72. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$43.72. This amount multiplied by 200% yields a MAR of \$87.44.

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.
- Procedure code 97035 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.95. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.60. The recommended payment is \$17.60.
- Procedure code 97110 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$28.42. This amount multiplied by 2 units is \$56.84. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$83.73. The recommended payment is \$83.73.
- Procedure code G0283 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.88. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.50. The recommended payment is \$17.50.
- Procedure code 11040 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58, multiplied by 3 units is \$151.74. This amount multiplied by 200% yields a MAR of \$303.48.
- Procedure code 11041 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 0015, which, per OPPS Addendum A, has a payment rate of \$103.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$62.33. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$59.59. The non-labor related portion is 40% of the APC rate or \$41.56. The sum of the labor and non-labor related amounts is \$101.15. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$50.58. This amount multiplied by 200% yields a MAR of \$101.16.
- Procedure code 11042 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 0016, which, per OPPS Addendum A, has a payment rate of \$188.62. This amount multiplied by 60% yields an unadjusted labor-related amount of

\$113.17. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$108.20. The non-labor related portion is 40% of the APC rate or \$75.45. The sum of the labor and non-labor related amounts is \$183.65. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$183.65. This amount multiplied by 200% yields a MAR of \$367.30.

Date of Service December 27, 2010

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.
- Procedure code 11042 is unbundled. This procedure is a component service of procedure code 11043 performed on the same date. Payment for this service is included in the payment for the primary procedure. Per Medicare policy, these two codes may not be reported on the same date of service unless an appropriate modifier is appended to the component code to differentiate between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The requestor billed the disputed service with a modifier; however, review of the submitted medical documentation finds that modifier 59 is not supported. Therefore, separate payment is not recommended.
- Procedure code 11043 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T APC is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 0016, which, per OPPS Addendum A, has a payment rate of \$188.62. This amount multiplied by 60% yields an unadjusted labor-related amount of \$113.17. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$108.20. The non-labor related portion is 40% of the APC rate or \$75.45. The sum of the labor and non-labor related amounts is \$183.65. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service, including multiple procedure discount, is \$183.65. This amount multiplied by 200% yields a MAR of \$367.30.

Date of Service December 28, 2010

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.
- Procedure code 97035 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.95. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.60. The recommended payment is \$17.60.
- Procedure code 97110 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$28.42. This amount multiplied by 3 units is \$85.26. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$125.60. The recommended payment is \$125.60.

- Procedure code G0283 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to the Medical Fee Guideline for Professional Services, §134.203(c). The fee listed for this code in the Medicare Physician Fee Schedule is \$11.88. This amount divided by the Medicare conversion factor of 36.8729 and multiplied by the Division conversion factor of 54.32 yields a MAR of \$17.50. The recommended payment is \$17.50.

Date of Service December 29, 2010

- Procedure code C1300 has a status indicator of S, which denotes a significant procedure not subject to multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0659, which, per OPPS Addendum A, has a payment rate of \$107.04. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.22. This amount multiplied by the annual wage index for this facility of 0.9561 yields an adjusted labor-related amount of \$61.40. The non-labor related portion is 40% of the APC rate or \$42.82. The sum of the labor and non-labor related amounts is \$104.22. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,175. The outlier payment amount is \$0. The total APC payment for this service is \$104.22, multiplied by 4 units is \$416.88. This amount multiplied by 200% yields a MAR of \$833.76.
5. The total allowable reimbursement for the services in dispute is \$9,360.15. This amount less the amount previously paid by the insurance carrier of \$10,150.21 leaves an amount due to the requestor of \$0.00. No additional reimbursement is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

| | | |
|-----------|--|------------------|
| _____ | Grayson Richardson | October 23, 2012 |
| Signature | Medical Fee Dispute Resolution Officer | Date |

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.